Government of Saskatchewan

# Annual Report 2004-2005

## Agriculture and Food

## Saskatchewan Agri-Food Council

Saskatchewan Centennial 2005

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## Letters of Transmittal

To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor of the Province of Saskatchewan

Madam:

In 2004/2005, the Saskatchewan Agri-Food Council, along with the 11 producer-run boards and commissions, continued to work towards the development of both strong and competitive agriculture and food industries in the province.

These producer groups are to be commended for their ongoing efforts in positioning their respective sectors for long-term sustainability and growth. Over the past year, they have engaged in important marketing, research and development activities, strengthened the knowledge and skill base of their producers, and worked as a unit to address an array of challenges concerning the orderly marketing of Saskatchewan agriculture and food products.

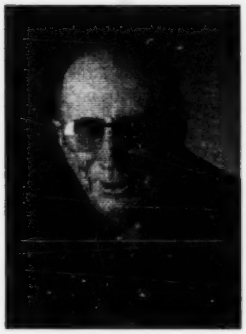
The Saskatchewan Agri-Food Council, in its regulatory and advisory role, is also to be acknowledged for responsibility monitoring the 11 Saskatchewan agencies and providing ongoing leadership in the regulation, promotion and development of agricultural and food product marketing.

I applaud both the Council and its agencies for successfully maintaining their active roles. Their dedication and commitment has assisted our agriculture industry in continuing to prosper, as well as contribute to this province's economy and the well-being of its people.

As Minister of Agriculture and Food, it is my pleasure to submit the annual report for the Saskatchewan Agri-Food Council for the fiscal year ending March 31, 2005.

Respectfully submitted,

Mark Wartman
Minister of Agriculture, Food and Rural Revitalization



Honourable Mark Wartman
Minister of Agriculture and Food
Legislature of Saskatchewan

Dear Minister Wartman:

In accordance with section 20 of *The Agri-Food Act, 2004*, I submit herewith the 2004 Annual Report of the Saskatchewan Agri-Food Council.

The Council is pleased to see that there will be continued co-operation in maintaining full overall reporting compliance for a second consecutive year when two final reports are received from the Saskatchewan Turkey Producers' Marketing Board. Complete and timely reporting is a very important component of good governance, and the Council will continue to monitor this closely in 2005.

The passing of *The Agri-Food Act, 2004* this past fall has brought many challenges and opportunities to the Council and the agencies. Most agencies have begun the process of updating their respective regulations to conform to the new Act and will continue this work into 2005. The Saskatchewan Egg Producers were successful in updating their regulations on December 22 after several months of hard work.

A number of producer groups interested in establishing check-offs have approached the Council for assistance in recent times. The Council looks forward to further exploring the options available to these groups in 2005/06.

The Council closely monitored WTO negotiations in 2004, and will strive to operate within WTO requirements as the negotiations continue into 2005.

The Saskatchewan Agri-Food Council is pleased to monitor and support those Boards and Commissions reporting to us.

Respectfully submitted,

Garf Stevenson, Chairperson 2004

# Saskatchewan Agri-Food Council

## Vision Statement

To create an environment for sustained growth where Saskatchewan-based producers and processors can become international leaders

*The Agri-Food Act, 2004* (the Act) provides a framework for the promotion, development and regulation of agri-food products. Producer-elected and operated agencies may be established under the authority of the Act, to administer marketing and development plans. Producer operated boards and commissions, which collect either voluntary or mandatory levies used for research, development and marketing initiatives, are governed by this Act.

Established in 1990[1] The Saskatchewan Agri-Food Council is a board appointed by the Lieutenant Governor in Council to monitor the activities of marketing and development agencies in accordance with the Act. The Council plays both a regulatory and advisory role.

The Council supervises compliance of boards and commissions within the terms and conditions of the Act, advises and updates the Minister of Saskatchewan Agriculture and Food on the operations and administration of agencies governed by the Act, and makes recommendations to the Minister.

As part of its regulatory role, the Council reviews proposed marketing and development plans, determines whether public meetings or hearings should be called in respect to the proposed plans, conducts producer votes and makes recommendations to the Lieutenant Governor in Council or the Minister on whether to amend or terminate such plans. The Council also approves all marketing board, development board, and development commission orders to ensure compliance with the Act, consults with agencies on issues relating to federal-provincial marketing agreements, and conducts policy and program review, report review, and strategic plan review of the agencies it supervises.

The Council also investigates issues related to regulatory policies of boards and commissions. There is a separate appeal body appointed under the Act to hear appeals, the Agri-Food Appeal Committee.

In all its activities, the Council is guided by the following values and principles:

- leadership in developing and supporting competitive agriculture and food industries;
- open, fair and decisive undertakings under the authority of the Act;
- accountability for actions affecting the public interest;
- positive communication and consultation amongst participants;
- compliance with orders and regulations under the Act; and
- active development of opportunities to fulfill Saskatchewan's agricultural and food production and marketing potential.

1. The Agri-Food Council replaced the Saskatchewan Natural Products Marketing Council, the supervisory body established under legislation preceding *The Agri-Food Act, 2004*.

# Saskatchewan Agri-Food Council

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1. The Agri-Food Council replaced the Saskatchewan Natural Products Marketing Council, the supervisory body established under legislation preceding *The Agri-Food Act, 2004*.

The Saskatchewan Agri-Food Council is currently responsible for monitoring 11 Saskatchewan agencies. The three types of agencies that may be established under the Act are:

Development Commissions – A development commission is an organization charged with doing research and development for an industry. Commissions are given the right to charge a refundable levy where producers must pay but can request a refund of levy dollars. The research is used to help producers reduce their input costs, increase productivity and generally make a producer's farm more profitable. The research and cost cutting measures developed by commissions usually decrease the producers' costs in multiples of levy paid. The development commissions in Saskatchewan are:

- Saskatchewan Alfalfa Seed Producers Development Commission;
- Saskatchewan Canola Development Commission;
- Saskatchewan Flax Development Commission; and
- Saskatchewan Mustard Development Commission.

Development Boards – A development board is very similar to a commission with one important difference: a development board charges a levy that is non-refundable. Producers must pay the levy, and cannot apply for a refund. Development boards are more difficult to organize as those wishing to start the board must convince the Lieutenant Governor that the majority of the industry supports the check-off, as demonstrated through a producer plebiscite. The development boards in Saskatchewan are:

- Sask Pork;
- Saskatchewan Pulse Growers; and
- Saskatchewan Sheep Development Board.

Marketing Boards – A marketing board administers a supply-managed marketing plan. Supply-management regulates and limits the production of a specific commodity. Marketing boards were created in the 1970's with the intention of stabilizing supplies and ensuring that producers could be profitable. Marketing boards are also empowered to charge a non-refundable levy to support a variety of functions. The marketing boards in Saskatchewan are:

- Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
- Chicken Farmers of Saskatchewan;
- Saskatchewan Egg Producers;
- Saskatchewan Turkey Producers' Marketing Board

## 2004 Saskatchewan Agri-Food Council Members

Garf Stevenson, Chairperson, Regina
Ken Rasmussen, Vice-Chairperson, Regina
Audrey Hinz, Saskatoon
Don Tait, Elrose

## Staff

Roydon G. White
Joy A. Smith
Ryan J. Boughen

## Council Office

Room 302
Walter Scott Building
3085 Albert Street
Regina, Saskatchewan
S4S 0B1

| | |
|---|---|
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| Website: | www.agr.gov.sk.ca/agrifood |

## Highlights

In 2004, the Agri-Food Council continued to carry out its mandate to supervise the activities and administration of boards and commissions operating under *The Agri-Food Act, 2004*. In the spring of 1998, the Provincial Auditor and Saskatchewan Agriculture and Food made recommendations to improve the standards of financial reporting of agencies. Each agency's board of directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. During that year, the boards and commissions were successful in improving the standard of financial reporting, although overall compliance was poor at 48 percent. Compliance levels were 66 percent in 1999, 82 percent in 2000, 92 percent in 2001, 86 percent in 2002, with 100 percent compliance being reached in 2003.

The Council is pleased to report that overall compliance in 2004, when two final reports are received from the Saskatchewan Turkey Producers' Marketing Board, will be 100% for the second consecutive year. The Council will continue to work closely with all agencies to maintain this level of compliance.

A producer group interested in establishing a development commission funded by a check-off for forage seed (excluding alfalfa) approached the Minister to approve a Forage Seed Development Commission. The Minister referred the proposal to the Council for consideration and to provide a recommendation. The purpose of the proposal was to help forage seed producers in their effort to increase profitability through the introduction of new varieties, conduct agronomic research, and develop new market opportunities. The Council has approved the proposal and recommended to the Minister that a Forage Seed Development Commission be formed. Work continues on the development of the regulations for this commission.

*The Agri-Food Act, 2004* was repealed and replaced by *The Agri-Food Act, 2004* in October. Changes to the Act will enable industry the flexibility to respond more effectively to growth opportunities, and to take a stronger leadership role in the development of their industries. Some of the changes to the Act include:

- Allowing for levy mechanisms other than the traditional marketing check-off. Some examples of new levy mechanisms that could be considered are on the basis of production or on the number of acres in production;
- Flexibility for a variety of governance structures. Agencies may now allow for the appointment of board members in their respective plans, and may also determine the procedure for removing board members;
- New enabling powers that may be granted to agencies in their regulations, including the ability to make loans or financial guarantees in the furtherance of its objectives;
- New powers provided to the Agri-Food Council, including the power to revoke current board orders, with prior notice given to the agencies;
- Proactive responsibilities for the Council, which are consistent with the Council's primary goal of enhancing accountability of boards and commissions through the Council itself. These additional responsibilities include policy and program review, report review and strategic plan review and reflect the nature of the functions that the Council already undertakes and has been doing for some time;
- Order-making power has been added to the Council's supervisory ability, and is intended to ensure that the Council's administrative responsibilities are documented;
- Ensuring that the Council has a measure of enforcement in the event the Council fails to acquire an agency's cooperation; and
- Updated powers concerning appeals. The window for allowing appeals to be brought forward to the Agri-Food Appeal Committee has been expanded to 90 days from 45 days, thus allowing persons more time to learn about board decisions and to file an appeal. The Act also provides a limit on when appeals can be brought to the courts regarding a decision of the Appeal Committee. The Act also allows for parties to the appeal to pursue enforcement of Appeal Committee Decisions from the courts.

Work continues on reaching an agreement on an updated Federal-Provincial Agreement (FPA) for egg marketing in Canada. Saskatchewan

is dedicated to working with the industry on a system under the FPA that ensures growth for Saskatchewan, especially one that incorporates the consideration of Saskatchewan's comparative advantage of production.

The Agri-Food Council, in conjunction with the Saskatchewan Egg Producers (SEP) and the Province, is currently involved in a court challenge against the Canadian Egg Marketing Board's (CEMA) July and December 2004 quota orders. The Council, the SEP and the Province continue to be open to negotiations with CEMA in light of the court challenge, and it is hoped that a resolution to this matter can be reached in a timely manner.

The Agri-Food Council continued to monitor Saskatchewan's poultry industry performance under national marketing systems. As national marketing agencies adjust operations to better serve the marketplace, the Council will continue to participate with other provinces to ensure revisions to each of the FPA's. Progress has continued on developing a draft Turkey FPA. The scheduled review of the Chicken Federal-Provincial Operating Agreement continues to progress.

The Council's Strategic Plan was in its 2nd year of implementation in 2004. The Council values the strategic planning process and recognizes the Strategic Plan's importance as a tool to ensure an effective and proactive approach to monitoring and supervising the agencies under its jurisdiction.

During 2004/2005, the Agri-Food Council held four board meetings and conducted ten teleconference meetings.

## Report of Activities

### Supervision of Boards and Commissions

As part of its responsibility to supervise boards and commissions under *The Agri-Food Act, 2004*, the Agri-Food Council reviewed the minutes of regular and annual meetings of boards and commissions, as well as all annual reports and financial statements. In addition, Council members and staff attended various meetings of boards and commissions and reported back to the Agri-Food Council. The Council was represented at special and annual meetings of all 11 agencies over the course of the year, and held meetings with representatives of all the agencies throughout the year. Officials of the Agri-Food Council attended a meeting of the National Association of Agri-Food Supervisory Agencies (NAASA) in Ottawa, participated in numerous NAASA teleconferences, and represented Saskatchewan's interests at meetings of national marketing agencies.

### Marketing Plan Reviews

No new marketing plans were submitted to the Agri-Food Council for its review during 2004. However, The Saskatchewan Commercial Egg Producers' Marketing Plan was updated to increase the transparency, equity, and efficiency in the province's egg marketing system, and to update the regulations under the new Agri-Food Act.

The process to amend these regulations effectively began in January of 2003 when the Minister sent a letter to the Saskatchewan Egg Producers indicating that changes would need to be made to the way the industry operates. The key principles outlined in that letter were:

- transparency in quota allocations, transferability and decision-making;
- equity for all persons in access to quota; and
- sustainability through industry competitiveness and growth.

This letter sparked months of consultation with producers, industry stakeholders and the Agri-Food Council. Agreement was found on all points outlined in the Minister's letter, and on December 22, 2004, The Commercial Egg Marketing Plan Regulations replaced the previous egg regulations.

The Council also began review of the remaining three marketing plans to ensure they accurately reflected the needs, operations and activities of the marketing boards and to update these regulations to conform to the new Act. This process will continue into 2005.

**Development Plan Reviews**

A review of the seven development plans began after the new Act was enacted in October, 2004. Council staff held separate meetings with the seven development agencies to ensure that all development plans accurately reflect the needs, operations and activities of their respective agencies, and to conform to the new Act. Work will continue on updating these plans into 2005.

**Orders of Boards and Commissions**

Marketing boards, development boards and development commissions exercise certain powers granted to them by their marketing and development plans through marketing orders. These orders require Council approval. Council reviewed and approved the following orders in 2004/2005:

Saskatchewan Canola Development Commission

Order No. 15/04: Check-off Collection of Canola-Quality Brassica juncea

Purpose: This order determines that the check-off on canola-quality Brassica juncea is set at $0.75 per metric tonne of seed marketed, and defines how the buyers shall remit the check-off collected to the commission.

Order No. 16/04: Check-of Collection

Purpose: The general purpose of this order is to establish the level of the check-off on canola at $0.75 per metric tonne of seed market. The previous level of check-off was $0.50 per metric tonne.

Sask Pork

Order No. 8/04: Service Charge

Purpose: This order establishes that a service charge of $0.75 per slaughter hog, slaughter sow or breeding hog, and $0.20 per early weaned and feeder hog, exported live from Canada, shall be remitted to Sask Pork by the producer. The purpose of this service charge is to cover the Saskatchewan pork industry's portion of the legal costs in defending Canada's position on the United States Trade Action on Canadian live hog exports to the United States.

Chicken Farmers of Saskatchewan

Order No. 29/04: On Farm Food Safety Assurance Program

Purpose: The purpose of this order is to require that all chicken producers be certified with the On Farm Food Safety Assurance Program (OFFSAP).

Order No. 30/04: Production Efficiency Zones

Purpose: This order was updated to allow for licensed processors to charge additional freight charges, for the transportation of live chicken, to any production unit producing less than the prescribed minimum set out in Order No. 31/04(4) – Transfers. Currently, the prescribed minimum is 24,780 kilograms per cycle.

Order No. 31/04: Transfers

Purpose: The purpose of this updated order is to provide the Board with the flexibility to approve a quota transfer that would lower the size of the original unit's quota to less than 24,780 kilograms per cycle.

Order No. 32/04: Quota Allocations

Purpose: This updated order extends the allowable maximum production cycles per year that may be established from 6.8 to 7.5.

Saskatchewan Broiler Hatching Egg Producers' Marketing Board

Order No. 33/04: Designation of Production Units

Purpose: The general purpose of this order was to define the eligibility for production unit status as required by the latest amendments to The Saskatchewan Broiler Hatching Egg Marketing Plan Regulations. This order has been revoked and replaced by Order No. 37/04.

Order No. 34/04: Registration and Licensing

Purpose: This order, formally known as "Licensing", was updated to add a section on producer registration, and to change the nature of the $10.00 licence fee from a mandatory fee charged by the Board to a fee that the Board may charge at its discretion.

Order No. 35/04: Base Quota Limits

Purpose: This order was updated for administrative purposes to reflect the conversion of quota from birds to hatching eggs marketed.

Order No. 36/04: Quota Allocations

Purpose: This order was updated for administrative purposes to reflect the conversion of quota from birds to hatching eggs marketed.

Order No. 37/04: Designation of Production Units

Purpose: This order was updated for administrative purposes to reflect the conversion of quota from birds to hatching eggs marketed.

Order No. 38/04: Conversion of Quota

Purpose: The purpose of this order is to define the conversion factor for the transition from bird-based quota units to hatching eggs marketed-based quota units.

Saskatchewan Egg Producers

Order No. 34/04: Eggs for Processing

Purpose: The general purpose of this order is to establish rules and definitions for eggs for processing.

Order No. 35/05: Election of Directors

Purpose: The general purpose of this order is to allow for an orderly transition from the terms of office for directors elected pursuant to The Saskatchewan Commercial Egg Producers' Marketing Plan, 1976 to the terms of office for directors elected pursuant to the provisions of The Commercial Egg Marketing Plan Regulations

Order No. 36/05: Sale of Production Limits

Purpose: The general purpose of this order is to establish rules and procedures for the sale of production units.

Order No. 37/05: The Industry Management Order

Purpose: The general purpose of this order is to establish rules and procedures regarding the granting or licences to produce and market eggs and the management of production units.

**National Activities**

National Marketing Agencies

The Saskatchewan Agri-Food Council is a signatory to three federal-provincial agreements (FPA's). These agreements provide the basis for operation of national marketing agencies for chicken, turkey and eggs. National agencies are essentially producer driven supply management organizations with representation from downstream sectors. The primary mandate of the national agencies is to manage the supply of primary poultry products across Canada according to the terms of the FPAs. Saskatchewan is a member of the Chicken Farmers of Canada (CFC), the Canadian Egg Marketing Agency (CEMA) and the Canadian Turkey Marketing Agency (CTMA). Saskatchewan is not a member or signatory to the Canadian Broiler Hatching Egg Marketing Agency, although membership is currently being considered.

Each national agency allocates a Canadian quota among participating provincial commodity boards, who in turn allocate their provincial allotments to individual producers within provincial boundaries. The national agencies target production to meet market demand at a price that covers the average producer's cost of production plus a reasonable return on investment.

As a signatory to each of the FPAs, the Agri-Food Council is responsible for participating in matters relating to monitoring the operation of national marketing systems and participating in activities to improve their performance. The Saskatchewan Agri-Food Council cooperates with other supervisory agencies as a member of National

Association of Agri-Food Supervisory Agencies (NAASA) to ensure steady progress is made in updating regulatory frameworks. The Agri-Food Council also cooperates with the National Farm Products Council (its counterpart at the national level) in its primary role as supervisor of the national marketing agencies.

In 2004 the Agri-Food Council continued to participate in a process initiated by Provincial and Territorial Ministers of Agriculture 1998 to renew the FPAs. Ministers directed the NAASA to lead the renewal process to update and modernize the four poultry FPAs. The individual agencies have taken the role of drafting new operating agreements under the FPA structure. While some progress was made, there remains a great deal of work to be completed before an agreement can be reached on a renewed FPA.

National Association of Agricultural Supervisory Agencies

Saskatchewan continued to actively participate in 2004 as a member of the National Association of Agri-Food Supervisory Agencies (NAASA) whose mandate is as follows:

"To assist the agri-food industry by sharing information, providing direction and supporting an environment that promotes its development and prosperity."

In 2004 the Agri-Food Council continued to participate in NAASA's most recent objective, that is, to oversee the completion of renewal of FPA's by each of the national marketing agencies.

## Saskatchewan Alfalfa Seed Producers Development Commission

127 E – 116 Research Drive, Saskatoon SK S7N 3R3
Phone: (306) 651-7275, Fax: (306) 651-7270

### The Commission's Mission

The general purpose and intent of the Commission is to provide for the orderly and effective development of the alfalfa seed industry in Saskatchewan. Specific purposes of the Commission are:

- to promote and develop the alfalfa seed and alfalfa leafcutting bee industries in Saskatchewan;
- to develop procedures to maximize returns to producers;
- to encourage the production of a uniform high-quality product;
- to gather, compile, and distribute information related to the production of alfalfa seed and the management of alfalfa leafcutting bees;
- to conduct and encourage research on the production of alfalfa seed and the management of alfalfa leafcutting bees;
- to promote and improve understanding among individuals and organizations within the alfalfa seed and alfalfa leafcutting bee industries;
- to establish a system of levies on alfalfa seed crops for carrying out the purposes of the Commission; and
- to represent and take action on behalf of registered producers in matters relating to the development of the alfalfa seed and alfalfa leafcutting bee industries.

### Alfalfa Seed Production

Alfalfa seed production in the province has expanded rapidly over the past several years to the current level of over 150,000 acres, representing over 75% of the alfalfa seed acreage in Canada. The estimated value of Saskatchewan alfalfa seed production, based on an average yield of 200 lbs/acre and an average price of $1.00/lb is $30 million annually. The alfalfa leafcutting bee is an important pollinator of alfalfa for seed production and has been used by Saskatchewan alfalfa seed producers as a dependable pollinator for about thirty years. Alfalfa leafcutting bee populations, estimated at 20,000 per acre, have grown to a total of approximately $3 billion. Under ideal conditions, this population doubles each year and the excess production is marketed primarily to alfalfa seed growers in the United States at a value of about $15 million each year.

### Administration and Finance

The Commission's system of internal control, legislative compliance, and financial statements are audited annually by Merv Culham, CA. The board of directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission was successful in meeting all of the financial reporting requirements of the Agri-Food Council during the 2004 fiscal year.

The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

## Check-Off

In accordance with the Commission's regulations and orders, the check-off is $0.0075 per pound of alfalfa seed marketed. Producers may request a refund of any or all of the check-off paid. During the 2004 fiscal year, the Commission received $169,019 in check-off and refunded $8,596, or approximately 5.1% percent. This rate of levy refunds decreased from 9.5% last year. There were approximately 500 producers registered with the Commission in 2004.

| | 2003/ 2004 | 2002/ 2003 | 2001/ 2002 | 2000/ 2001 | 1999/ 2000 |
|---|---|---|---|---|---|
| Check-off ($) | 169,019 | 169,508 | 216,407 | 111,140 | 90,731 |
| Refunds ($) | 8,596 | 16,077 | 12,727 | 6,303 | 8,509 |
| Net Levy ($) | 160,423 | 153,431 | 203,680 | 104,837 | 82,222 |
| Refund (%) | 5.1 | 9.5 | 5.7 | 5.7 | 9.4 |

## Research Projects

The Commission invested $133,794 in research projects in 2004. As the industry is small, the Commission has limited funding. As such, it must evaluate the most economical means of funding research and identify methods to achieve the greatest leverage for its research dollars. Consultation to determine the research priorities of Saskatchewan alfalfa seed producers is ongoing.

## 2004 Board of Directors

Sheldon Dowling, Chairperson
Andrew Lindsay-Hawkins, Vice Chairperson
Clem Lalonde
Gaylord Mierau
Craig Newton
Harry Nikonetz

Wayne Goerzen, Executive Director

## Financial Status – Saskatchewan Alfalfa Seed Producers Development Commission

Summary of Financial Operations for the Year Ending July 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 (Restated) |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | | | |
| Net levy income | $ 155,000 | $ 160,423 | $ 153,431 |
| Interest Income | 0 | 3,303 | 3,417 |
| **Total Revenue** | **$ 155,000** | **$ 163,726** | **$ 156,848** |
| **Expenses** | | | |
| Programs | $ 137,500 | $ 133,794 | $ 106,929 |
| Administration | 17,500 | 16,077 | 10,024 |
| Amortization | 0 | 12,683 | 11,926 |
| **Total Expenses** | **$ 155,000** | **$ 162,554** | **$ 128,879** |
| **Excess of Revenue over Expenses** | **$ 0** | **$ 1,172** | **$ 27,969** |
| **Balance Sheet** | | | |
| Current Assets | | $ 334,011 | $ 324,348 |
| Capital Assets | | 5,743 | 14,642 |
| **Total Assets** | | **$ 339,754** | **$ 338,990** |
| **Total Current Liabilities** | | **$ 0** | **$ 408** |
| **Net Assets** | | | |
| Internally Restricted Net Assets | | 88,298 | 86,114 |
| Unrestricted Net Assets | | 251,456 | 252,468 |
| **Total Net Assets** | | **$ 339,754** | **$ 338,582** |
| **Total Liabilities and Net Assets** | | **$ 339,754** | **$ 338,990** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 13,447 | $ 40,303 |
| Cash Flow From Investing Activities | | (3,784) | (4,526) |
| Cash Flow From Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 9,663** | **$ 35,777** |
| Cash Position Beginning of Year | | 324,348 | 288,571 |
| **Cash Position End of Year** | | **$ 334,011** | **$ 324,348** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Broiler Hatching Egg Producers' Marketing Board

c/o P.O. Box 1637, Regina, SK S4P 3C4
Phone: (306) 775-1677

### Vision

To build a growing, dynamic and innovative industry, with the highest quality hatching eggs, and with profitability for all industry partners.

### Mission

As responsible industry leaders, we fully supply quality hatching eggs to the broiler chicken industry. While keeping industry profitable, we are proactive, flexible and open to change. Through good communication, we are responsive to our industry stakeholders.

### Industry Issues

Key issues in 2004:

- Resolving outstanding issues;
- Completing the Conversion Agreement with the CFS;
- Implementing the modifications to the regulations; and
- Developing and implementing an appropriate governance framework for the industry.

### Production

There were 18 licensed producers, operating out of 11 production units at the end of 2004 and one producer producing on a permit, representing a total of 173,000 quota units.

In 1999, the BHE reached an agreement with the Chicken Farmers of Saskatchewan (CFS) that would see some producers exit that industry and begin as broiler producers under permit of the CFS. This agreement had the Board accept 51,000 quota units, remove four of its producers from production and transfer two producers into CFS production. The two producers accepting CFS quota began production in 2001. The financial liability for the 51,000 quota rights is the responsibility of the BHE.

In 2001, the BHE and the CFS agreed to be bound by the decision of an arbitrator in the decision of how much the BHE would pay the CFS for the 51,000 units of quota rights. Both parties submitted a Final Offer to the arbitrator, who ruled in favour of the CFS. What remained to be finalized was the contribution to this liability by one of the producers. In 2004, a settlement was reached for a total of $363,000. All quota payable had been paid by the end of the year.

### Administration and Finance

The Board's system of internal control, legislative compliance and financial statements is audited annually by Meyers Norris Penny. The board's directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board was successful in meeting all of the Council's financial reporting requirements during the 2004 fiscal year.

The Board employed one part-time staff member in 2004.

### Administrator

Through Lieutenant Governor Order in Council #283/2000, dated May 30, 2000, the Minister of Agriculture, Food and Rural Revitalization assumed many of the powers of the Board, and then delegated those powers to an independent administrator.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedures;
- implement the Memorandum of Understanding between the Chicken Farmers of Saskatchewan and the Agri-Food Council;
- resolve industry disputes; and
- explore with industry new decision-making structures that would reduce the conflict currently holding back industry progress.

## Check-off

The check-off revenues for the 2004 fiscal were $0.60 per breeder chick placed. During the 2004 fiscal year, the board collected $103,568 in check-offs, a slight decrease over last year. The check-off is mandatory and non-refundable.

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|
| Check-off ($) | 103,568 | 107,298 | 109,231 | 79,061 | 69,378 |

## Extension

The Saskatchewan Poultry Extension Service is funded by the four Saskatchewan Poultry Marketing Boards and Lilydale. There are two service personnel: Dr. William Audren, poultry extension specialist and Dr. Bob Goodhope, poultry veterinarian. The service is supervised and administered by Dr. H. Classen and Dr. S. Gomis of the University of Saskatchewan reporting to the Research and Extension Committee.

The Board's assessment for the cost of extension services for 2004 remained at $8,241, the same amount as last year. Objectives of the program were to:

- monitor industry performance;
- identify and solve industry problems;
- investigate individual production problems;
- communicate advances in poultry production; and
- act as a liaison to individuals supplying feed, medication and equipment to the poultry industry.

## Outlook for 2005

The organization will concentrate on the following issues for 2005:

- Working within the new Plan to implement the new Governance Model;
- Completing the development of a Strategic Plan and Vision for the industry;
- Finalizing the role of the Board within the provincial and the national industry; and
- Improving the level of trust among producers.

## Financial Status – Saskatchewan Broiler Hatching Egg Producers' Marketing Board

Summary of Financial Operations for the Year Ending December 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 92,440** | **$ 104,206** | **$ 110,325** |
| **Expenses** | | | |
| Programs | $ 10,000 | $ 8,241 | $ 8,241 |
| Administration | 79,371 | 115,417 | 70,431 |
| Amortization | 97 | 94 | 97 |
| **Total Expenses** | **$ 89,468** | **$ 123,752** | **$ 78,769** |
| **Excess of Revenue over Expenses** | **$ 2,972** | **$ (19,546)** | **$ 31,556** |
| **Balance Sheet** | | | |
| Current Assets | | $ 75,255 | $ 606,826 |
| Investments | | 0 | 0 |
| Capital Assets | | 432 | 324 |
| **Total Assets** | | **$ 75,687** | **$ 607,150** |
| Current Liabilities | | | |
| Accounts Payable | | 19,000 | 33,522 |
| Quota Conversion Payable | | 0 | 497,395 |
| **Total Liabilities** | | **$ 19,000** | **$ 530,917** |
| **Net Assets** | | | |
| Invested in property and equipment | | $ 432 | $ 324 |
| Unrestricted Net Assets | | 56,255 | 75,909 |
| **Total Net Assets** | | **$ 56,687** | **$ 76,233** |
| **Total Liabilities and Net Assets** | | **$ 75,687** | **$ 607,150** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ (13,114) | $15,550 |
| Cash Flows from Investing Activities | | (202) | 0 |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ (13,316)** | **$ 15,550** |
| Cash Position Beginning of Year | | 83,271 | 67,721 |
| **Cash Position End of Year** | | **$ 69,955** | **$ 83,271** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Canola Development Commission

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Phone: (306) 975-0262
Fax: (306) 975-0136
www.scdc.ca
scdc@scdc.sk.ca

### The Commission's Vision

Shaping canola's future for producer profitability.

### The Commission's Mission Statement

To enhance canola producers' competitiveness and profitability through a producer led and controlled fund to support research, market development and extension activities.

### Industry Issues

The canola industry faces new issues. International trade disparities and barriers may be the greatest limiter to marketing canola. New food labeling laws will have a mixed impact on the industry. The Kyoto Accord may affect canola by impacting production costs, equipment technology needs, and the cost of meeting environmental regulations. However, a mandated use of bio-fuels and real value of carbon credits may generate a financial advantage.

Environmental and food safety concerns have raised flags and initiated legislation limiting or restricting pesticide use. These concerns must be considered while defending the judicious use of fertilizers and pesticides.

### Canola Production

It is estimated that 5.7 million acres were harvested in 2004, with a total production of 2.9 million tonnes. This converts to an average yield of 22.5 bushels per acre, which is slightly above the ten year average of 22.3 bushels per acre.

### Administration and Finance

The Provincial Auditor annually examines the Saskatchewan Canola Development Commission's (Commission) system of internal control, legislative compliance and financial statements. The Commission's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission was successful at meeting all of the Council's reporting requirements for 2004.

The Commission is also contracted to administer the levies of the Saskatchewan Pulse Growers, the Saskatchewan Flax Development Board, and the Saskatchewan Mustard Development Commission.

### Check-Off

In accordance with the Commission's regulations and orders, the check-off rate was $0.50 per tonne, unchanged from last year. Producers may request a refund of any or all of the check-off paid. During the 2004 fiscal year, the Commission received $1,360,248 in check-off and refunded $79,045, or approximately 5.8 percent. There were approximately 30,000 producers registered with the Commission in 2004.

| | 2003/ 2004 | 2002/ 2003 | 2001/ 2002 | 2000/ 2001 | 1999/ 2000 |
|---|---|---|---|---|---|
| **Check-off($)** | 1,360,248 | 859,733 | 918,325 | 1,820,226 | 1,487,415 |
| **Refunds** | 79,045 | 40,598 | 39,116 | 81,631 | 45,564 |
| **Net Levy ($)** | 1,281,203 | 819,135 | 879,209 | 1,738,595 | 1,441,851 |
| **Refund (%)** | 5.8 | 4.7 | 4.3 | 4.5 | 3.1 |

**Research**

The Commission has identified two objectives for research:

1. Developing new products and uses for canola seed, oil and meal; and
2. Improving producer's net returns by increasing price or yield and providing more cost-effective utilization of inputs.

Total research expenditures for 2003-2004 were approximately $360,000. The Commission was able to fund a number of new projects in 2003-2004, including:

- Monitoring, forecasting and risk warning for insect pests;
- Innovative crop management by conserving natural enemies of insect pests;
- Clubroot in canola;
- Factors influencing seed vigour and agronomic performance of canola;
- Effects of late season flea beetle feeding on canola yields;
- Development of a diagnostic field guide on herbicide injury;
- Optimizing the production of Brassica juncea canola;
- Pod shatter resistant canola;
- Optimizing canola production with intensive canola rotations;
- Delaying nitrogen fertilizer application;
- Straight combining of Brassica juncea, canola and mustard;
- Prairie canola variety testing;
- Farm saved seed;
- Malfunctions observed on canola seedlings; and
- Saskatoon bio-bus project.

More information on the results of the research projects can be found on the Commission's website (www.scdc.ca).

**Market Development**

The SCDC continues to partner with the Canola Council of Canada and Canadian and US grower groups to implement market development initiatives under the name CanolaInfo. CanolaInfo targets health professionals, foodservice personnel and food media with each target having a separate strategy. CanolaInfo also continues to answer questions for consumers.

The CanolaInfo website (www.canolainfo.org) underwent a major renewal and continues to be updated monthly. All target groups have their own section so they can easily find information to suit their needs. Resources on the website include an educator's manual, student fact sheets, video, Power Point presentations, written information, patient resources and a FAQ section.

CanolaInfo continues to support the Canola Council of Canada in export, biodiesel and meal activities. A total of $417,518 was invested in market development in 2003-2004.

**Extension**

In 2004, the Commission was involved with the following activities:

- Hosted the SCDC Annual Meeting, featuring Mayo Schmidt (Saskatchewan Wheat Pool), Joanne Buth (Canola Council of Canada) and Steve Shirtliffe (University of Saskatchewan);
- Co-exhibited with the Saskatchewan Canola Growers Association (SCGA) at the Crop Production Show;
- Displayed at the Saskatchewan Soil Conservation Association convention;
- Sponsored grower extension meetings and field days in cooperation with the SCGA, Canola Council of Canada, Saskatchewan Agriculture, Food and Rural Revitalization, Agriculture and Agri-Food Canada;
- Spoke at more than 15 meetings in rural Saskatchewan about canola production;
- Contributed to the production of Canola Digest Magazine;

- Ran radio adds with Kevin Hursh touching on many topics including rotations, herbicide resistance, clubroot, Canola Watch Program, bio-diesel and trans-fatty-acids;
- Funded and managed the Canola Learning Centre at the Royal Agricultural Winter fair in Toronto, in conjunction with the other provincial canola organizations;
- Sponsored one Agriculture in the Classroom program;
- Continued support of the school program, including Canola Corner at the Canola Learning Centre (part of the Conservation Learning Centre in Prince Albert); and
- Continued to provide updated information on the SCDC website (www.scdc.ca).

Outlook for 2005

The Commission will continue to research new opportunities that will create awareness and promote the canola industry.

In 2005, the Commission will focus on:

- Projects in market development focused on educating those who influence the consumer in an effort to enhance demand. Targeted groups include health and dietary professionals, foodservice managers, food media, food industry, educators and consumers;
- Projects relating to crop health, crop nutrition, plant diseases, insect pests, production technologies and new uses;
- The continuation of the SCDC extension program that provides information to producers through both public and private sector agronomists;

**2004 Board of Directors**

Jim Caughlin, Chairperson
Kelvin Meadows, Vice-Chairperson
Wayne Bacon
John Serhienko
Tim Wiens (effective January, 2004)
Fred Meister (effective January, 2004)
Ray Hilderman (until January, 2004)
Barbara Podhorodeski (until January, 2004)

Roy Button, Executive Director

## Financial Status – Saskatchewan Canola Development Commission

Summary of Financial Operations for the Year Ending July 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 1,352,000** | **$ 1,701,947** | **$ 1,149,331** |
| **Expenses** | | | |
| Programs | $ 1,040,700 | $ 1,044,605 | $ 626,962 |
| Administration | 424,950 | 375,185 | 357,987 |
| Amortization | 8,000 | 18,594 | 25,429 |
| **Total Expenses** | **$ 1,473,650** | **$ 1,438,384** | **$ 1,010,378** |
| **Excess of Revenues over Expenses** | **$ (121,650)** | **$ 263,563** | **$ 138,953** |
| **Balance Sheet** | | | |
| Current Assets | | $ 660,850 | $ 671,311 |
| Investments | | 1,467,621 | 1,115,14 |
| Capital Assets | | 8,503 | 40,595 |
| **Total Assets** | | **$ 2,136,974** | **$ 1,827,048** |
| **Current Liabilities** | | | |
| Accounts Payable | | $ 121,060 | $ 74,792 |
| Unearned Revenue | | 95 | 0 |
| **Total Current Liabilities** | | **$ 121,155** | **$ 74,792** |
| **Net Assets** | | | |
| Invested in Capital Assets | | $ 8,503 | $ 40,595 |
| Internally Restricted Net Assets | | 1,200,000 | 1,100,000 |
| Unrestricted Net Assets | | 807,316 | 611,661 |
| **Total Net Assets** | | **$ 2,015,819** | **$ 1,752,256** |
| **Total Liabilities and Net Assets** | | **$ 2,136,974** | **$ 1,827,048** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 386,522 | $ 147,144 |
| Cash Flows from Investing Activities | | (310,925) | 103,822 |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 75,597** | **$ 250,966** |
| Cash Position Beginning of Year | | 256,758 | 5,792 |
| Cash Position End of Year | | $ 332,355 | $ 256,758 |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Chicken Farmers Of Saskatchewan

1810 – 9th Avenue N., P.O. Box 1637 Regina, SK
S4P 3C4
Phone: (306) 775-1677
Toll Free: 1-888-332-5825
Fax: (306) 949-1353
www.saskatchewanchicken.ca
cfos@sasktel.net

### Vision

A world class Saskatchewan chicken industry built on innovation, profitability and the ability of stakeholders to work together for the good of the industry as a whole.

### Mission

Through a dynamic, innovative leadership team, to boldly develop a profitably, viable and expanding Saskatchewan chicken industry.

### Industry Issues

- Clearing up unresolved issues and disputes;
- Supporting the growth agenda to ensure that the growth targets of the expansion agreement are realized;
- Developing and refining the governance structure of the CFS; and
- Developing a long-term strategic focus of the industry.

### Production

There were 96 licensed producers at the end of 2004. The 2004 broiler base production for Saskatchewan was 44,901,444 kilograms, an increase of 8.53% over 2003. As a result, the Saskatchewan chicken industry agreement that was signed with the Chicken Farmers of Canada (CFC) in 1998 to double production in Saskatchewan has been completed.

| Year | Number of Birds | Live Weight (kg) | Average Bird Weight (kg) |
|---|---|---|---|
| 2004 | 25,266,796 | 44,901,444 | 1.78 |
| 2003 | 23,004,442 | 41,371,638 | 1.80 |
| 2002 | 21,409,775 | 40,620,973 | 1.90 |
| 2001 | 19,781,770 | 37,431,205 | 1.89 |
| 2000 | 16,937,235 | 32,414,857 | 1.91 |
| 1999 | 14,601,629 | 26,428,949 | 1.81 |
| 1998 | 12,122,181 | 21,941,147 | 1.81 |
| 1997 | 12,049,705 | 21,809,966 | 1.81 |
| 1996 | 11,277,863 | 20,936,536 | 1.86 |
| 1995 | 11,381,794 | 20,927,375 | 1.84 |

### Administration and Finance

The board's directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. CFS's system of internal control, legislative compliance and financial statements is audited annually by Meyers Norris Penny. The CFS was successful in 2004 at meeting all of the Council's recommended reporting requirements.

The board employed two full time staff in 2004.

**Check-off**

During the 2004 fiscal year, the Board collected $427,839 in check-offs – an increase of approximately 6 percent over last year. In accordance with the board's regulations and orders, the check-off is $0.014 per kilogram of chicken marketed. The check-off is mandatory and non-refundable.

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|
| Check-off ($) | 427,492 | 402,839 | 389,787 | 361,047 | 305,931 |

**Administrator**

By Lieutenant Governor Order in Council 282/2000 dated May 30, 2000, the Minister of Agriculture, Food and Rural Revitalization assumed many of the powers of the board of the CFS, and then delegated those powers to an independent administrator.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedure;
- implement the Memorandum of Understanding;
- resolve industry disputes; and
- explore with industry new decision-making structures to reduce the conflict currently impeding industry progress.

**Research**

The CFS spent $67,860 on research in 2004.

**Market Development**

The marketing activities in 2004 included:

- Increasing recognition of the new logo, which replaced the logo that had been in place since the early 1970's;
- Website maintenance, and
- Canadian Western Agribition display.

**Outlook for 2005**

The board will concentrate on the following issues for 2005:

- Moving toward full implementation of the On Farm Food Safety Assurance Program (OFFSAP) by July 1;
- Explore potential areas where chicken can be grown in order to minimize the impact of disastrous disease outbreaks such as A.I.;
- Exploring the opportunities for new markets in light of a second processor opening in the province;
- Do what is necessary for both the processors and producers to profitably grow the various size products the processors are looking to market;
- Maintain influential contact with government in WTO negotiations;
- Continued implementation of the strategic plan; and
- Continue to build relationships with the stakeholders in the industry.

**2004 Board of Directors**

Nick Langelaar, Chairperson
Barry Schneider, Vice-Chairperson (resigned Nov 1, 2004)
Roger Regehr
Eugene Zagrodney
Darlene Neufeld (resigned Dec 31, 2004)

Van Stewart, General Manager
Oswald L. Henry, Administrator

## Financial Status – Chicken Farmers Of Saskatchewan

Summary of Financial Operations for the Year Ending December 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 466,630** | **$ 483,804** | **$ 451,372** |
| **Expenses** | | | |
| Programs | $ 106,300 | $ 98,898 | $ 116,004 |
| Administration | 358,520 | 328,621 | 282,431 |
| Amortization | 1,000 | 1,004 | 969 |
| **Total Expenses** | **$ 465,820** | **$ 428,523** | **$ 399,404** |
| **Excess of Revenue over Expenses** | **$ 810** | **$ 55,281** | **$ 51,968** |
| **Balance Sheet** | | | |
| Current Assets | | $ 724,856 | $ 135,535 |
| Investments | | 0 | 0 |
| Capital Assets | | 4,640 | 4,392 |
| **Total Assets** | | **$ 729,496** | **$ 139,927** |
| **Current Liabilities** | | | |
| Accounts Payable and Accrued Liabilities | | $ 607,791 | $ 60,932 |
| Penalties Payable* | | 63,788 | 130,252 |
| Deferred Grant Revenue | | 53,893 | 0 |
| **Total Current Liabilities** | | **$ 725,472** | **$ 191,184** |
| Net Assets | | | |
| Property and Equipment | | 4,640 | 4,392 |
| Unrestricted Deficit | | (616) | (55,649) |
| **Total Net Assets** | | **$ 4,024** | **$ (51,257)** |
| **Total Liabilities and Net Assets** | | **$ 729,496** | **$ 139,927** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 586,862 | $ (59,104) |
| Cash Flows from Investing Activities | | (1,679) | 78,025 |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 585,183** | **$ 18,921** |
| Cash Position Beginning of Year | | 72,756 | 53,835 |
| **Cash Position End of Year** | | **$ 657,939** | **$ 72,756** |

* Chicken Farmers of Canada penalties

** Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Egg Producers

Box 1263, 496 Hoffer Drive, Regina, SK S4P 3C4
Phone: (306) 924-1505
Fax: (306) 924-1515
www.saskegg.ca
sep@saskegg.ca

### The Board's Objective

To improve and stabilize producer returns by managing product supplies and to ensure high quality, wholesome food is delivered to the consumer at a reasonable price.

### Industry Issues

During 2004 Saskatchewan Egg Producers (SEP):

- Continued to aggressively pursue an acceptable agreement with Canadian Egg Marketing Agency (CEMA) through the new Federal-Provincial-Territorial Agreement that would see growth and expansion for Saskatchewan's egg industry;
- Began drafting several new orders and policies resulting from the new Act and Plan; and
- Participated in a Complaint Hearing before the National Farm Products Council, and later with the court challenges to CEMA's July and December quota orders.

### Administration and Finance

Directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records, and preparing financial statements. The Board's system of internal control, legislative compliance and financial statements are audited annually by E.J.C. Dudley & Co. In 2004, SEP was successful at meeting all of the Council's recommended reporting requirements.

The Board employed 3.5 full time staff in 2004.

### Check-off

During the 2004 fiscal year, the Board collected $964,922 in check-off. In accordance with the board's regulations and orders, the Saskatchewan and CEMA check-off is $0.315 per dozen eggs marketed. The check-off is mandatory and non-refundable.

The Board receives a levy of $0.045. $0.03 is used for administration and marketing and $0.015 is used for the Surplus Removal Fund, which funds removal of egg surplus to the needs of table egg consumers.

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|
| **Check-off ($)** | *964,922 | 390,261 | 397,539 | 387,124 | 382,956 |

* includes revenue generated from the Industrial Product Removal Program.

## Research

The Board invested $25,000 in research projects in 2004, including the poultry extension program, research and studies at the University of Saskatchewan. The available research funding was not fully accessed by the Board's research partners at the University of Saskatchewan.

## Market Development

The marketing activities in 2004 included:

- Continued development of a web page with links to CEMA with recipes, nutritional information, producer information and Board policies;
- Attendance at the Canadian Western Agribition; and
- Advertising with CKRM Radio.

## Outlook for 2005

Issues before the Board in 2005 will include:

- Continue to pursue a quota expansion from CEMA;
- Consideration of a policy that would reward producers in the form of a bonus of 2% additional placements if they placed their birds in the months of January, February and July;
- Ensuring that the Board's mandate to control and regulate the production and Marketing of eggs in Saskatchewan, and to manage risk, is fulfilled;
- Establishing the Industry Growth and Trust Fund; and
- Updating the Board's orders and policies.

## 2004 Board of Directors

Bert Harman, Chairperson
Stan Fehr, Vice-Chairperson
Cliff Colborn
Joseph E. Hofer
Joseph Mandel
Jim Teichrob

Michael Katz, General Manager

## Financial Status – Saskatchewan Egg Producers

Summary of Financial Operations for the Year Ending December 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 (restated) |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 979,615** | **$ 1,018,340** | ****$ 5,414,361** |
| **Expenses** | | | |
| Programs | $ 396,500 | $ 314,887 | **$ 4,582,487 |
| Administration | 664,522 | 756,581 | 850,003 |
| Amortization | 0 | 13,548 | 11,487 |
| **Total Expenses** | **$ 1,061,022** | **$ 1,085,016** | ****$ 5,443,977** |
| **Excess of Revenue over Expenses** | **$ (81,407)** | **$ (66,676)** | **$ (29,616)** |
| **Balance Sheet** | | | |
| Current Assets | | $ 747,881 | $ 845,968 |
| Investments | | 724,762 | 932,998 |
| Capital Assets | | 119,004 | 114,435 |
| **Total Assets** | | **$ 1,591,647** | **$ 1,893,401** |
| **Current Liabilities** | | | |
| Accounts Payable | | $ 45,262 | $ 304,817 |
| Canadian Egg Marketing Agency– Levies | | 232,539 | 208,062 |
| **Total Current Liabilities** | | **$ 277,801** | **$ 512,879** |
| **Surplus** | | **1,313,846** | **1,380,522** |
| **Total Liabilities and Net Assets** | | **$ 1,591,647** | **$ 1,893,401** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 234,358 | $ (398,130) |
| Cash Flows from Investing Activities | | 190,120 | 58,626 |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 424,478** | **$ (339,504)** |
| Cash Position Beginning of Year | | 68,757 | 408,261 |
| **Cash Position End of Year** | | **$ 493,235** | **$ 68,757** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood.

** Includes levies collected on behalf of CEMA.

## Saskatchewan Flax Development Commission

A5A – 116 – 103rd Street East, Saskatoon, SK S7N 1Y7
Phone: (306) 664-1901
Fax: (306) 664-4404
www.saskflax.com
saskflax@saskflax.com

### Vision Statement

Saskatchewan Flax Development Commission, as a respected organization leads the promotion of flax and flax products to the world.

### The Commission's Mission

To lead, promote, and enhance the production, value-added processing and utilization of Saskatchewan flax.

### Industry Issues

- Flax 2015 initiative
- Fiber industry development
- Changes in varietal registration and agronomic research support

### Administration and Finance

The Commission's Board of Directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission's system of internal control, legislative compliance and financial statements is audited annually by Merv Culham, CA. The Commission was successful in meeting all of the financial reporting requirements of the Council during the 2004 fiscal year.

### Check-off

The check-off rate is $1.18 per tonne of flax seed and $0.50 per tonne of flax straw. There were approximately 15,000 producers registered with the Commission in 2004. Check-off revenues in 2004 increased by 20% over 2003 levels to $540,661 The flax check-off is refundable twice annually. In 2004, $29,833 (5.5%) was refunded to producers.

| | | 2003/ 2004 | 2002/ 2003 | 2001/ 2002 | 2000/ 2001 | 1999/ 2000 |
|---|---|---|---|---|---|---|
| Check-off | ($) | 540,661 | 448,962 | 502,202 | 498,875 | 579,178 |
| Refunds | | 29,833 | 20,465 | 26,415 | 27,643 | 27,643 |
| Net Levy | ($) | 510,828 | 428,497 | 475,787 | 476,938 | 551,535 |
| Refund | (%) | 5.5 | 4.6 | 5.3 | 5.5 | 4.8 |

### Research Projects

Over the past year, one research project was approved and initiated in addition to the continuation of previously committed research projects in the areas of human health, varietal development, fiber, value-added, aquaculture feeds, component parts, and agronomy. The Commission spent $100,725 on research in 2004.

**Market Facilitation**

The SaskFlax market facilitation program works to support domestic and international opportunities for flax – food, feed and fiber.

From a food perspective, SaskFlax provided third party product information related to nutrition, storage and cookery (recipes) to consumers at home and abroad. Co-operative programs with AmeriFlax introduced World Food Professionals and North American Food Technologists Institute members flax's role in food and nutrition. The Mexican Bakery Marketplace was introduced to flax and flax products produced in Saskatchewan as was Chile's aquaculture industry.

Within the Saskatchewan marketplace, SaskFlax worked with CARDS, other commodity groups and food processors on a long-term initiative to celebrate Saskatchewan agriculture and food. The Growing Saskatchewan Committee worked on three communication projects, including a magazine, website, and culinary concert.

From a feed perspective, SaskFlax continued its support with the Flax Council of Canada on beef feed demonstration projects at Kansas State University and the University of Saskatchewan.

Regarding the fiber sector, SaskFlax continued to advance the development of the fiber industry (straw utilization). SaskFlax spent $348,615 in Market Facilitation in 2004.

**Communication**

Registered flax producers are the primary stakeholders for the Commission. Information on production, research, products, industry and markets were conveyed to Saskatchewan producers via the Commission's newsletter, website, annual report, the annual business meeting and industry update, the winter field day, and personal communication.

Other important stakeholders include allied industry organizations such as the Flax Council of Canada and AmeriFlax, agricultural related partners (i.e. Canada Grains Council and PRRCG), and all levels of government. Collaborative and cooperative initiatives with these stakeholders helped to direct industry enhancement and growth, maximized/utilized limited financial resources while ensuring the best interests of Saskatchewan flax growers. The Commission's expenditure on communication in 2004 was $143,387.

**Outlook for 2005**

The Commission anticipates:

- continued industry and production expansion;
- pilot plant (fiber) up and running;
- Flax 2015 strategic initiative drafted; and
- increased cooperation/promotion with like-minded agencies (Flax Council of Canada, AmeriFlax)

**2004 Board of Directors**

Gordon Cresswell, Chairperson
Allen Kuhlmann, Vice-Chairperson
Edmond Aime
Chris Hale
David Sefton
Lyle Simonson
Linda Braun, Executive Director

Janice Henriksen, Administrative Assistant

## Financial Status – Saskatchewan Flax Development Commission

Summary of Financial Operations for the Year Ending July 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 526,000** | **$ 662,722** | **$ 480,166** |
| **Expenses** | | | |
| Programs | $ 510,740 | $ 592,727 | $ 493,087 |
| Administration | 135,725 | 126,151 | 112,298 |
| Amortization | 0 | 3,451 | 869 |
| **Total Expenses** | **$ 646,465** | **$ 722,329** | **$ 606,254** |
| **Excess of Expenses over Revenue** | **$ (120,465)** | **$ (59,607)** | **$ (126,088)** |
| **Balance Sheet** | | | |
| Current Assets | | $ 690,394 | $ 844,617 |
| Capital Assets | | 57,141 | 0 |
| **Total Assets** | | **$ 747,535** | **$ 844,617** |
| **Liabilities** | | | |
| Accounts Payable | | $ 73,468 | $ 65,343 |
| Research Grants Payable | | 64,000 | 109,600 |
| **Total Liabilities** | | **$ 137,468** | **$ 174,943** |
| **Net Assets** | | | |
| Internally Restricted Net Assets | | 600,000 | 600,000 |
| Unrestricted Net Assets | | 10,067 | 69,674 |
| **Total Net Assets** | | **$ 610,067** | **$ 669,674** |
| **Total Liabilities and Net Assets** | | **$ 747,535** | **$ 844,617** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ (140,846) | $ (89,414) |
| Cash Flow From Investing Activities | | (60,592) | 0 |
| Cash Flow From Financing Activities | | 0 | 0 |
| **Increase (decrease) in cash during year** | | **$ (201,438)** | **$ (89,414)** |
| Cash Position Beginning of Year | | 757,798 | 847,212 |
| **Cash Position End of Year** | | **$ 556,360** | **$ 757,798** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Mustard Development Commission

212-111 Research Drive, Saskatoon, SK, S7N 3R2
Phone: (306) 975-6629, Fax: (306) 975-0136

The Saskatchewan Mustard Development Commission began collecting check-off on January 1, 2004. The interim board of directors has chosen not to invest in any programs until an elected board of directors is in place. In the meantime, the interim board has focused on developing partnerships, commission management and a business plan outlining the intention to allocate funding in the areas of Research, Communications, Market Development, Policy & Regulations and Operations.

### Vision

Investing in the future for mustard grower profitability.

### Mission

Growing the mustard industry for the benefit of growers through research, communication and market development programs.

### Industry Issues

Prices for all three mustard types have dropped about 35% since January 2004. The increased production which supplies a static market and the appreciation of the Canadian dollar against world currencies, in particular the US dollar, accounts for the price drop.

### Mustard Production

Acreage seeded to mustard in Saskatchewan in 2004 was up by 20% compared to the eight year average. However, Oriental mustard acres were down by nearly half, Brown mustard was up by 10%, and Yellow mustard up nearly 75%. Yields were just below average but total production was higher primarily because of increased acres of Yellow Mustard.

### Administration and Finance

The Provincial Auditor annually examines the Saskatchewan Mustard Development Commission's (Commission) system of internal control, legislative compliance and financial statements. The Commission's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission was successful at meeting all of the Council's reporting requirements for 2004.

### Check-Off

The check-off rate is 0.50% of the gross value of mustard seed sold. There were approximately 1850 producers registered with the Commission in 2004. The Commission received $124,161 in check-offs and refunded $2,837 or approximately 2.3% of the gross check-off.

### Research

The commission has identified key areas that would assist in developing programs and projects to benefit mustard growers in the area of research, including agronomic & production research, mustard breeding, and new products and uses. The commission plans to meet with Agriculture and Agri-Food Canada, the University of Saskatchewan, and the canola-mustard industry to evaluate research priorities and identify research projects for funding.

### Communications

The key areas that the commission has identified in the area of communications will provide production and industry information to producers and obtain feedback on producer concerns. The SCDC wants to cooperate with other agencies to provide information and to meet with buyers, processors and end users to identify industry priorities. Plans are to produce three newsletters per year, evaluate developing a new grower manual, conduct a field day in July or August each year and develop a website.

**Market Development**

In this area, the SCDC will focus on mustard quality, and will meet with processors, buyers, and the Canadian Grain Commission to evaluate guidelines for mustard quality and provide information to producers on the industry requirements. The benefits of traceability programs, identity preservation systems and environmental and food safety programs will also be evaluated. Plans are to identify programs that improve utilization and awareness of mustard products and cooperate with other agencies in developing market promotion programs.

**Outlook for 2005**

The newly elected Board of Directors will face many issues in 2005 and beyond. Varietal improvement is important for any crop. The industry must work to improve its understanding of mustard production agronomy and expand the herbicide choices for post emergent broad-leaf weed control.

The markets require the industry to be vigilant regarding adventitious presence of undesirable contaminants. Questions around traceability and identity preserved marketing must be answered as they affect producer profitability and liability. All aspects of the value chain, from field to plate, must be examined and analyzed to maximize profit to Saskatchewan mustard producers.

**2004 Interim Board of Directors**

Brett Meinert, Chair
Dan Thompson
Erroll Simington
Ken Megyesi
Rene De Moissac
Les Trayhorne
David Pederson

Roy Button, Executive Director

## Financial Status – Saskatchewan Mustard Development Commission

Summary of Financial Operations for the Period from October 3, 2003 to July 31, 2004

| | Budget 2004 | Actual 2004 |
|---|---|---|
| **Statement of Operations** | | |
| **Revenue** | **$ 95,000** | **$ 124,024** |
| **Expenses** | | |
| Programs | $ 500 | $ 458 |
| Administration | 12,500 | 15,084 |
| Amortization | 0 | 0 |
| **Total Expenses** | **$ 13,000** | **$ 15,542** |
| **Excess of (Expenses over Revenues)** | **$ 82,000** | **$ 108,482** |
| **Balance Sheet** | | |
| **Total Assets** | | **$ 120,219** |
| **Total Current Liabilities** | | **$ 11,737** |
| **Total Net Assets** | | **$ 108,482** |
| **Total Liabilities and Net Assets** | | **$ 120,219** |
| **Cash Flows** | | |
| Cash Flow From Operating Activities | | $ 97,736 |
| Cash Flows from Investing Activities | | 0 |
| Cash Flows from Financing Activities | | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 97,736** |
| Cash Position Beginning of Year | | 0 |
| **Cash Position End of Year** | | **$ 97,736** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## SaskPork

Bay 2, Main Floor, 502 – 45th Street West, Saskatoon, SK, S7L 6H2
Phone: (306) 244-7752,
Fax: (306) 244-1712
www.saskpork.com
info@saskpork.com

### Vision

To ensure a sustainable pork industry within a diverse provincial agricultural economy.

### Mission

Sask Pork is dedicated to working on behalf of producers through communications, policy development and research programs.

### Industry Sustainability & Growth

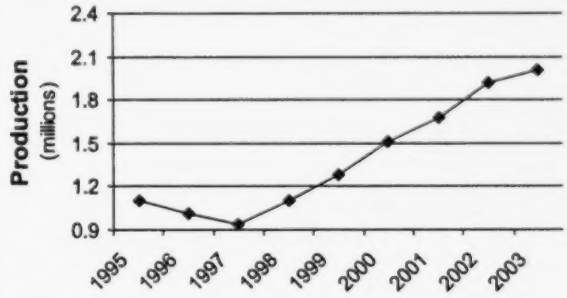
The Saskatchewan pork industry is continuing to experience growth in production and industry concentration. The following are some of the industry issues that were at the forefront in 2004:

- U.S. Trade Action claiming that Canada is "dumping" pork into the U.S. prompted provincial pork organizations across the country to come together to develop a strategy to defend producers' interests. To assist with the defence costs, Sask Pork is providing $0.07 per hog marketed as an initial payment for the defence fund;
- Need for expanded markets and increased provincial slaughter capacity, due to a doubling of slaughter hog production since 1998; and
- Food safety programs and foreign disease preparedness have been recognized, in light of the BSE issue in the cattle sector, as a crucial initiative for the pork industry.

### Production

There were 588 pork production units registered with Sask Pork in 2003. Total provincial pork production for 2003 was 2.06 million hogs.

**Saskatchewan Hog Production: 1995 – 2003**




### Administration and Finance

It is the responsibility of management to ensure proper and responsible administration of Sask Pork's finances and report the financial results to the producers. Deloitte & Touche annually examines the board's system of internal control, legislative compliance and financial statements. SaskPork was successful in meeting all of the Council's recommendations for 2004.

The Board employed 7 full time staff in 2004.

### Check-off

The check-off rate for 2004 was $0.75 per hog marketed. The net check-off revenue generated for the years 2000 to 2004 is represented in the following table.

| | 2003/ 2004 | 2002/ 2003 | 2001/ 2002 | 2000/ 2001 | 1999/ 2000 |
|---|---|---|---|---|---|
| Check-off ($) | 1,543,824 | 1,617,804 | 1,644,525 | 926,431* | 1,508,833 |

* 2001 revenue reflects a seven month reporting period as a result of a change of year-end for the organization.

### Programs, Services and Associations

### Producer Services

Canadian Quality Assurance (CQA®)

The Hazard Analysis Critical Control Point (HAACP) based, national quality program, rolled out in 1998, and was initially developed in response to the consumer's demand for a safe product and packers moving towards a policy to accept only quality-assured livestock for processing.

Effective October 1, 2004, Mitchell's Gourmet Foods and SPI Marketing Group Inc. are no longer accepting hogs from non-validated farms. Sask Pork provided assistance to those producers who were not enrolled in the program prior to the announcement to ensure they were compliant prior to October 1.

At July 31, 2004, 99.68% of market hogs sold originated from farms enrolled in the program, and 98.3 % came from fully validated farms. At year-end, 317 units were fully validated.

Animal Welfare

In 2004, a draft Animal Care Assessment Tool was developed by the Canadian Pork Council, members of the industry, government and the research community.

The goal is to promote animal care on Canadian hog farms and develop a mechanism to demonstrate to customers that the pork industry is committed to excellent animal care. The next steps include expanding the working group to include representation from other sectors, including industry stakeholders and foodservice, to name a few.

Medicated Feed Regulations

The CFIA is moving ahead to implement regulations which will require all farms and feed mills making medicated livestock feeds to be licensed and adhere to specific safe feed production practices.

Traceability

Traceback of animals to the originating farm is becoming an increasingly important issue to producers and consumers. The Canadian Pork Council is into the first stage of a pilot study that will result in a traceability program that is expected to be implemented sometime in 2005.

As an interim step to addressing a potential foreign animal disease outbreak within the hog industry, Sask Pork, Manitoba Pork Council, Alberta Pork and BC Pork are working together to develop a Western Canadian Slaughter Database.

Communications & Public Relations

- Industry Development through community presentations;
- Industry Video development (Weighing the Facts: Pork Production in Saskatchewan);
- Pork Industry Interpretive Centre and Viewing Gallery coordination;
- Website upgrades and maintenance;
- Canadian Western Agribition;
- Product promotion program;
- Corporate sponsorships and trade show participation; and
- Distribution of monthly newsletter.

**Research Programs**

Sask Pork, with funding from the check-off and the Agri-Food Innovation Fund, supports swine research in areas that directly affect producers' profitability including swine disease, animal care and health, lowering production costs, occupational health and safety, manure management, and environmental issues.

Significant projects include continued funding for the Prairie Swine Centre, Manure Application, Swine Slurry Gases, Canadian Research Network on Bacterial Pathogens of Swine, Impact of First Breeding Weight Irrespective of Age on Long-Term Reproductive Performance of Sows, Veterinary Infectious Disease Organization (VIDO), Geochemistry and Hydrogeology, and the Long Term Effects of Repeated Swine Manure Applications.

**2004 Board of Directors**

Shirley Voldeng, Chairperson
Ross Johnson, First Vice-Chairperson
Florian Possberg, Second Vice-Chairperson
Judy Ulrich
Joe Kleinsasser
Jerry Pfeil

Neil Ketilson, General Manager

## Financial Status – SaskPork

Summary of Financial Operations for the Year Ending July 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 1,947,645** | **$ 1,886,274** | **$ 2,069,532** |
| **Expenses** | | | |
| Programs | $ 1,495,625 | $ 1,352,929 | $ 1,312,191 |
| Administration | 630,290 | 515,200 | 539,211 |
| Amortization | 10,997 | 10,274 | 12,615 |
| **Total Expenses** | **$ 2,136,912** | **$ 1,878,403** | **$ 1,864,017** |
| **Excess of Revenue over Expenses** | **$ (189,267)** | **$ 7,871** | **$ 205,515** |
| **Balance Sheet** | | | |
| Current Assets | | $ 1,460,764 | $ 1,626,388 |
| Capital Assets | | 9,262 | 11,203 |
| **Total Assets** | | **$ 1,470,026** | **$ 1,637,591** |
| **Total Current Liabilities** | | **$ 215,561** | **$ 390,997** |
| **Net Assets** | | | |
| Internally Restricted Net Assets | | 29,013 | 51,273 |
| Unrestricted Net Assets | | 1,225,452 | 1,195,321 |
| **Total Net Assets** | | **$ 1,254,465** | **$ 1,246,594** |
| **Total Liabilities and Net Assets** | | **$ 1,470,026** | **$ 1,637,591** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ (179,069) | $ 249,008 |
| Cash Flows from Investing Activities | | (8,333) | (11,458) |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ (187,402)** | **$ 237,550** |
| Cash Position Beginning of Year | | 1,354,014 | 1,116,464 |
| **Cash Position End of Year** | | **$1,166,612** | **$ 1,354,014** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Pulse Growers

104 – 411 Downey Road, Saskatoon, SK S7N 4L8
Phone: (306) 668-5556
Fax: (306) 668-5557
www.saskpulse.com
pulse@saskpulse.com

### Vision

Saskatchewan will be a world leader in the production, processing, and marketing of high quality and high value pulse products for a viable and profitable pulse industry.

### Mission

To provide leadership for an innovative, profitable and sustainable Saskatchewan pulse industry, through research, market development and communication in collaboration with stakeholders.

### Industry Issues

Record pea and lentil planting, combined with more normal growing conditions, particularly in western Saskatchewan, resulted in record quantities of product for the 2004-2005 marketing season. However, the late August frost and wet fall weather reduced crop quality to below average.

### Production

Pulses were seeded on approximately 4.59 million acres in Saskatchewan in 2004.

### Administration and Finance

Directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Board's system of internal control, legislative compliance, and financial statements is audited annually by Hergott Duval Stack & Partners. The Saskatchewan Pulse Growers were successful in meeting all of the Council's reporting requirements for the 2004 year.

### Check-off

During the 2004 fiscal year, the Board collected $4,369,329 in check-offs and had total revenues of $4,982,795. In accordance with the Board's regulations and orders, the check-off collected is 1.0 percent of the gross value of pulses sold.

Saskatchewan Pulse Growers is a development board under the Act so it does not refund levies to producers. The Board employs the Saskatchewan Canola Development Commission's Levy Central to collect the check-off.

### Research

Saskatchewan Pulse Growers' largest expenditure, the Research and Development program, provides funding and leadership for ongoing research, including:

- disease management and resistance;
- genetic improvement;
- agronomy;
- weed control; and
- new uses and quality assessments.

The Research and Development expenditures in 2004 were $2,252,010. Sask Pulse continues to work very closely with Pulse Canada Research to lead a national initiative to increase pulse research. A 2003 report by University of Saskatchewan economist Dr. Richard Gray and private researcher Terry Scott reveals that the benefit to cost ratios of check-offs is quite high. For example, the benefit to cost for growers was about $16 for every $1 of check-off invested in research, with total returns to the industry of over $31.

Sask Pulse has finalized plans for the construction of the Pulse Field Lab at the Crop Development Centre in Saskatoon, which will be ready for use by late 2005.

### Market Development

The Saskatchewan Pulse Growers Market Development program works to develop international and domestic market opportunities for

pulses in human diets and livestock rations. SPG also funds Pulse Canada's international market development activities, such as reduction of trade barriers, harmonization of regulations, and access to new and existing markets.

**Extension and Communications**

SPG provides research, production, and market information in a number of ways, including PulsePoint magazine, annual reports, SPG website, The Pulse Brief electronic news service, Pulse Days annual conference, and several regional meetings and field days. SPG collaborates closely with partners in industry, processing, government, research and extension to communicate, deliver programs, and advance the pulse industry.

**Outlook for 2005**

Saskatchewan Pulse Growers continue to look forward with plans to continue implementing their long-term strategy. Highlights include:

- dramatically increasing research expenditures by 55%, up to $3.5 million in 2005;
- continuing to enhance Canada's pulse industry profile on the national and international fronts;
- begin construction of the $3 million Pulse Field Lab at the University of Saskatchewan; and
- improving current producer security system.

**2004 Board of Directors**

Shawn Buhr, Chairperson
Dean Corbett, Vice-Chair
Lloyd Affleck
Maurice Berry
Ron Hundeby
Jim Moen
Barbara Podhorodeski

Garth Patterson, Executive Director, Saskatoon

## Financial Status – Saskatchewan Pulse Growers

Summary of Financial Operations for the Year Ending August 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 4,619,592** | **$ 4,982,795** | **$ 3,643,455** |
| **Expenses** | | | |
| Programs | $ 4,225,551 | $ 3,474,088 | $ 2,795,354 |
| Administration | 775,000 | 807,226 | 673,437 |
| Amortization | 0 | 11,238 | 10,266 |
| **Total Expenses** | **$ 5,000,551** | **$ 4,292,552** | **$ 3,479,057** |
| **Excess of Revenue over Expenses** | **$ (380,959)** | **$ 690,243** | **$ 164,398** |
| **Balance Sheet** | | | |
| Current Assets | | $ 3,129,808 | $ 1,735,093 |
| Investments | | 1,000,000 | 1,000,000 |
| Capital Assets | | 341,124 | 345,709 |
| **Total Assets** | | **$ 4,470,932** | **$ 3,080,802** |
| **Current Liabilities** | | | |
| Accounts Payable | | $ 747,126 | $ 109,913 |
| Net Assets | | | |
| Externally Restricted | | 137,174 | 74,500 |
| Invested in Capital Assets | | 341,124 | 345,709 |
| Internally Restricted Net Assets | | 1,000,000 | 1,000,000 |
| Unrestricted Net Assets | | 2,245,508 | 1,550,680 |
| **Total Net Assets** | | **$ 3,723,806** | **$ 2,970,889** |
| **Total Liabilities and Net Assets** | | **$ 4,470,932** | **$ 3,080,802** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 1,615,956 | $ (82,583) |
| Cash Flows from Investing Activities | | (1,015,944) | 143,922 |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 600,012** | **$ 61,339** |
| Cash Position Beginning of Year | | 213,618 | 152,279 |
| **Cash Position End of Year** | | **$ 813,630** | **$ 213,618** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Sheep Development Board

2213C Hanselman Court, Saskatoon, SK S7L 6A8
Phone: (306) 933-5200
Fax: (306) 933-7286
www.sksheep.com
sheepdb@sasktel.net

### Vision Statement

A sheep industry that is competitive and viable within sustainable agriculture, growing and responding to the global marketplace, and offering alternative opportunities for production, processing, and access to diverse markets with producer and consumer support.

### Mission Statement

To provide for the effective development of the Saskatchewan sheep industry and the promotion, regulation and marketing of sheep and sheep products.

Specific aims of the Board are:

- to coordinate and inform the industry on matters relating to the production and marketing of sheep and sheep products;
- to promote harmony and communication within the industry;
- to develop the potential of the industry through extension, development of the market and the promotion of sheep products; and
- to ensure the provision of services required for the profitable marketing of sheep products.

### Industry Issues

Industry issues include:

- adequate funding for the industry to carry out the work that is expected;
- developing the value-added component of the industry;
- long term predation control;
- finding qualified shepherds for grazing projects targeted at capitalizing on environmental opportunities; and
- closure of the American border, which is having a negative impact on the industry.

### Sheep Production

There are 1,188 flocks registered with the board. Including some unregistered flocks, the provincial flock is estimated at 70,000 breeding ewes, with an average flock size of 55 ewes.

### Administration and Finance

Directors are responsible for establishing and maintaining a system of internal controls, complying with applicable regulations, maintaining financial records and preparing financial statements. The Board's system of internal control, legislative compliance and financial statements are audited annually by Hounjet Tastad. In 2004, the Board met all of the Council's requirements for reporting.

### Check-off/Service Charge

The rate for 2004 remained at $1 per sheep marketed. During the 2004 fiscal year, the Board collected $138,798 in check-offs and had total revenues of $590,615, mainly through sales of sheep equipment and supplies, seminars, and handling fees. As a development board, it does not refund levies to producers.

The board began collecting their $1.00 per head service charge, formerly collected as a check-off at the point of sale, at the time the Canadian Sheep Identification Program (CSIP) ear tags are purchased by the producer. This service charge has addressed the difficulties the board was experiencing in collecting their operating revenue as required under their regulations, as is demonstrated in the table below.

**Check-off/service charge revenue**

| | 2003/ 2004 | 2002/ 2003 | 2001/ 2002 | 2000/ 2001 | 1999/ 2000 |
|---|---|---|---|---|---|
| ($) | 138,798 | 58,813 | 48,405 | 33,413 | 45,730 |

**Research**

In the 2003-2004 fiscal year, the Board invested $111,740 in research. The Board continued to work on several projects that were started last year, including the Quality Assurance Program, National ID Program and the Board's Value-added Project. In 2005, the Board will strive to be involved in a joint project with Sunterra Meats, the Alberta Sheep and Wool Commission and Alberta Agriculture to study the effect that the sire, various feeds and feeding methods have on carcass quality.

**Market Development**

The Board continued to work on its value-added project, Canadian Prairie Lamb. Canadian Prairie Lamb now operates as a separate company with its own Board. This company is presently having lambs slaughtered at Sunterra Meats in Innisfail, Alta, and product is being shipped to the Saskatchewan Food Centre in Saskatoon where it is being processed into five different products.

This past year, Sunterra Meats has introduced a new pricing system that seeks to reward producers for high-quality lambs. The Board has been working with Sunterra to make producers aware of the new system and to educate them on how to produce the desired lambs.

**Extension and Communications**

The Board was involved with a number of extension projects in 2004. Seminars for the 2004 fiscal year included:

- Lambing Time Management;
- Butchering for the Home Freezer;
- Nutrition and Feeding;
- Carcass Evaluation;
- Sheep Economics; and
- Getting Started in Sheep.

The Board has also been working on introducing the National Quality Assurance Program to producers through their seminars.

**Outlook for 2005**

The sheep industry in the province went through a few tough years due to drought, BSE and border closer. These factors caused lamb prices to fall to a point that is below cost of production. Conditions in other countries around the world have also affected lamb production, which points to a good demand for more lambs. Lamb prices and the demand for breeding stock should be very good next year, especially if there are normal growing conditions this year and the American border is reopened to Canadian Lambs.

The financial situation for the Board could be questionable this year if there is an exodus from the industry, as the main source of funding is derived from check-off dollars. However, if the markets return to normal and production increases the Board's financial situation should remain healthy.

**Board of Directors**

Niall Campbell, Chairperson
Dirk Van Kuik
Rex Furgeson
Randy Jordon
Marvin Dales

Gord Schroeder, Executive Director

## Financial Status – Saskatchewan Sheep Development Board

Summary of Financial Operations for the Year Ending September 30, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations*** | | | |
| **Revenue** | **$ 283,900** | **$ 590,615** | **$ 623,543** |
| **Expenses** | | | |
| Programs | $ 133,500 | $ 157,508 | $ 266,557 |
| Administration | 150,400 | 278,972 | 298,400 |
| Amortization | 0 | 1,012 | 1,349 |
| **Total Expenses** | **$ 283,900** | **$ 437,492** | **$ 566,306** |
| **Excess of Revenue over Expenses** | **$ 0** | **$ 153,123** | **$ 57,237** |
| **Balance Sheet** | | | |
| Current Assets | | $ 411,620 | $ 256,873 |
| Investments | | 40,605 | 39,229 |
| Capital Assets | | 1,012 | 1,349 |
| Equity in Cooperative | | 114 | 38 |
| **Total Assets** | | **$ 453,351** | **$ 297,489** |
| **Current Liabilities** | | | |
| Accounts Payable | | $ 11,586 | $ 15,821 |
| Other payables | | 11,757 | 4,446 |
| Unearned Revenue | | 290,127 | 181,074 |
| **Total Liabilities** | | **$ 313,470** | **$ 201,341** |
| **Net Assets** | | | |
| Invested in Capital Assets | | 1,012 | 1,349 |
| Surplus | | 138,869 | 94,799 |
| **Total Net Assets** | | **$ 139,881** | **$ 96,148** |
| **Total Liabilities and Net Assets** | | **$ 453,351** | **$ 297,489** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | $ 172,941 | $ 48,430 |
| Cash Flows from Investing Activities | | (1,453) | (4,041) |
| Cash Flows from Financing Activities | | (337) | (1,182) |
| **Net Increase (Decrease) in Cash** | | **$ 171,151** | **$ 43,207** |
| Cash Position Beginning of Year | | 217,044 | 173,837 |
| **Cash Position End of Year** | | **$ 388,195** | **$ 217,044** |

* The 2004 Budget numbers do not include any other programs that are administered by the board, in either the revenue or expenditures. This accounts for the significant difference between the budget and the actual numbers for 2004.

** Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

## Saskatchewan Turkey Producers' Marketing Board

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### The Board's Objective

To improve and stabilize producer returns.

### Industry Issues

Key issues in 2004 included:

- On Farm Food Safety Program;
- Processing and retail issues;
- National initiatives (Agricultural Policy Framework and the Federal-Provincial Agreement); and
- Provincial issues, such as an agreement with BC and Alberta on the sharing of export regrow credits.

### Turkey Production

Turkey production in Saskatchewan decreased by 194,610 kilograms for a total of 5.68 million kilograms live weight in 2004. The board approved eight temporary transfer agreements, and four transfer agreements. The number of licenses issued increased by one from 2003, resulting in 18 licensed growers.

During 2004, fifteen price changes were negotiated. After a slight drop in the fall, prices improved again by year end. Overall, prices improved across the board for the year. As of year-end, prices per live kilogram were $1.655 for Grade A Broilers and $1.545 for utilities; $1.605 for Grade A Hens and $1.510 for utilities; $1.645 for Grade A Toms and $1.585 for utilities.

### Administration and Finance

Directors and the management team are responsible for establishing and maintaining a system of internal controls, complying with applicable regulations, maintaining financial records and preparing financial statements. The Board's system of internal control, legislative compliance and financial statements are audited annually by Hergott Duval Stack & Partners. In 2004, the Board met its regulated obligations related to preparation and presentation of financial records by year-end. The Board has indicated that they will submit the final two reports to the Council in order to meet the financial reporting standards. The Council expects to receive these reports in the near future.

The Board employed one full time staff member in 2004.

### Check-off

During the 2004 fiscal year, the Board collected $260,414 in check-offs: $106,533 in provincial levies, $94,696 in national levies and $59,185 in generic marketing funds. In accordance with the Board's regulations and orders, the check-off is $0.036 per kilogram of turkey marketed. The check-off is mandatory and non-refundable.

**Check-off Revenue**

| | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|---|---|---|---|---|
| ($) | 260,414 | 254,733 | 248,903 | 261,256 | 254,005 |

**Market Development**

Marketing programs undertaken in 2004 focused on reaching out to a diverse audience in as many of the areas of the province as possible, including tradeshow and media appearances, presenting new ideas to consumers and trying to understand their demands.

**Some of the activities included:**

- Marketing material such as lunch tins, tin notebooks, refrigerator note-pads, pens & pencils, turkey moulds, aprons, nutrient analysis brochures and a variety of recipe brochures;
- Advertising on Hot 93 Radio, including a live broadcast BBQ, in Growing Saskatchewan Magazine, and on the Food Safety Info Line;
- Taste of Spring Food & Wine Festival;
- Premier Food & Wine Festival;
- Top-of-the-Hopes – Beer and Food Show;
- ENCORE, Saskatchewan's Dinner Party;
- Canadian Western Agribition;
- Cuisine Canada Conference;
- a Home Ec Teachers Conference;
- Retail store promotion, working with Taipan Foods;
- Numerous event sponsorship.

**Extension**

The Board participated in a joint project with Saskatchewan's other feather boards. The project was developed to assist producers in reaching their production potential. The cost to Saskatchewan Turkey Producers' Marketing Board for the project in 2004 was $12,261.

**2004 Board of Directors**

Dennis Billo, Chairperson
Jack Rynsburger, Vice-Chairperson
Wayne Goodsman
Bev Rosher
Herman Warkentin

Rose Olsen, Manager

## Financial Status – Saskatchewan Turkey Producers' Marketing Board

Summary of Financial Operations for the Year Ending December 31, 2004

| | Budget 2004 | Actual 2004 | Actual 2003 |
|---|---|---|---|
| **Statement of Operations** | | | |
| **Revenue** | **$ 283,950** | **$ 284,200** | **$ 323,716** |
| **Expenses** | | | |
| Programs | 199,750 | 195,431 | 196,319 |
| Administration | 84,550 | 92,606 | 108,708 |
| Amortization | 0 | 1,491 | 841 |
| **Total Expenses** | **$ 284,300** | **$ 289,528** | **$ 305,868** |
| **Excess of Revenue over Expenses** | **$ (350)** | **$ (5,328)** | **$ 17,848** |
| **Balance Sheet** | | | |
| Current Assets | | $ 181,820 | $ 158,213 |
| Investments | | 0 | 42,035 |
| Capital Assets | | 5,027 | 2,705 |
| **Total Assets** | | **$ 186,847** | **$ 202,953** |
| **Current Liabilities** | | | |
| Accounts Payable | | $ 77,530 | $ 85,309 |
| GST Payable | | 1,215 | 4,214 |
| Deferred revenue | | 0 | 0 |
| **Total Current Liabilities** | | **$ 78,745** | **$ 89,523** |
| **Net Assets** | | | |
| Invested in Capital Assets | | 5,027 | 2,705 |
| Internally Restricted Net Assets | | 0 | 0 |
| Unrestricted Net Assets | | 103,075 | 110,725 |
| **Total Net Assets** | | **$ 108,102** | **$ 113,430** |
| **Total Liabilities and Net Assets** | | **$ 186,847** | **$ 202,953** |
| **Cash Flows** | | | |
| Cash Flow From Operating Activities | | (36,843) | $ 87,302 |
| Cash Flows from Investing Activities | | 38,222 | (42,035) |
| Cash Flows from Financing Activities | | 0 | 0 |
| **Net Increase (Decrease) in Cash** | | **$ 1,379** | **$ 45,267** |
| Cash Position Beginning of Year | | 116,301 | 71,034 |
| **Cash Position End of Year** | | **$ 117,680** | **$ 116,301** |

* Complete Financial Statements can be found in the agency's annual report which is available from the agency and on the Council's website at www.agr.gov.sk.ca/agrifood

# Appeals Under The Agri-Food Act

The Agri-Food Appeal Committee (Committee) is a body appointed under *The Agri-Food Act, 2004* (the Act) to hear appeals. The Committee, separate from the Agri-Food Council, is appointed by the Lieutenant Governor in Council, and is mandated to address complaints from any person who files a grievance, within 90 days, concerning an act or omission of any agency established under the Act. The Agri-Food Appeal Committee hears the arguments of parties involved and makes a ruling on the appeal. The membership of the Appeal Committee in 2004 consisted of:

## Members

Mr. Martin Wrubleski, Chairperson, Regina
Mr. Bill Brown, Vice-Chairperson, Saskatoon
Ms. Jackie Andreas, Swift Current

## Staff

Joy A. Smith, Secretary
Ryan Boughen, Assistant Secretary

**In 2004, the Agri-Food Appeal Committee heard four appeals:**

**April 1, 2004**

Ms. Bev Ully et al vs. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board

On October 6, 2003, The Broiler Hatching Egg Marketing Plan Regulations (Plan) was amended in order to establish a new governance structure. The changes included the requirement to define 'production units' as the basis on which eligibility to serve on the board and voting rights were to be granted.

Under the new Plan, production units were to be defined by board order. On February 10, 2004, Board Order 33/04 (Designation of Production Units) became effective.

On February 12, 2004, a letter was faxed to all producers listing the designated production units. The appellants were not named as separate production units. The appellants were included in the Spruce Hill Livestock and Hepburn Poultry production units.

The appellants, who include Ms. Bev Ully, Ms. Ronalda Kleinsasser, Ms. Teresa Slater, Ms. Cindy Adel, Ms. Anne Marie Selensky, and Mr. Bill Selensky, wrote to the Board requesting that their names be placed on the production unit list as separate production units apart from Hepburn or Spruce Hill. The Board denied this request, and on March 17, 2004 an appeal was filed. The appeal hearing was held on April 1, 2004.

The appellants submitted that each of them has a production facility (barn or barns) with fewer than 10,000 units of quota that are greater than ½ mile apart. Therefore, these producers should qualify as grandfathered production units under Section 3 of Order 33/04.

The Board submitted that the scheduling of quota done with the Board and with Lilydale show only Hepburn Poultry and Spruce Hill Livestock as recipients, and there is no mention of any of the appellants. The Board further submitted that it has no information that any of the appellants operate as separate production units; all of the information and correspondence the Board has received is that production is integrated into the two units previously mentioned. The Board's received information from Lilydale that quota is only being scheduled for placement at 'Hepburn' or 'Spruce Hill'; there is no listing for quota scheduling or placement for any of the appellants as separate production units.

The Committee observed that the appellants did not submit evidence that their respective production facilities were operated as physically distinct, non-integrated production units. The committee ruled in favour of the Board.

**May 18, 2004**

O&T Farms Ltd. vs. The Saskatchewan Egg Producers

Two matters were under dispute in this appeal:

1. The Board's refusal to pay O&T Farms Ltd. (O&T) in the amount that O&T calculated based upon a disagreement on Eggs For Processing (EFP) flock count.
   - In December 2001, a flock verification was performed at O&T by the Saskatchewan Egg Producers (SEP). The SEP flock verification report concluded that O&T had placed 30,912 EFP birds. O&T contended that there were in fact only 29,950 EFP birds, and signed the report even though they disagreed with the numbers.
   - The SEP's calculations result in monies owing to the Board by O&T, while O&T's calculations result in the Board owing monies to O&T.

The Committee observed that in considering whether the SEP acted in accordance with its legislated authority in using the 30,912 EFP flock count, it must be noted that there are no references to the EFP system in the Act, Regulations, or Board Orders. The Committee does note, however, that the count conducted in December 2001, is signed by a representative of O&T Farms Ltd. The signature line is signed under the agreement: "I agree with today's layer count and all information on this report which is true and accurate".

The Committee concluded that the Board was within its authority to base its calculations on the signed and confirmed Flock Verification Report of December 21, 2001.

2. The Board's practice of the timing of testing performed on O&T's flocks for Salmonella enteritidis (SE), and resulting disputes over compensation amounts.
   - An SE test was performed in a barn of O&T in October 2003, and was found positive. Follow-up testing performed in another barn on the premises later that month was also positive. The decisions around the handling of the SE positive barns were then jurisdiction of the Canadian Egg Marketing Agency (CEMA).
   - CEMA operates a program called "Start Clean Stay Clean" (SCSC). All producers scoring 90% or higher on their SCSC rating will be compensated fully for SE related losses, while all producers scoring below 90% are compensated at a rate specified by CEMA.
   - O&T qualified for 78% compensation by CEMA. O&T wrote to the SEP on December 22, 2003, requesting 100% compensation because the SE testing was done at, they contended, an improper time.
   - O&T contended that SE testing should only be done at 60 weeks, or 8-10 weeks before placement of a new flock. O&T presented that this is in accordance with Section 6.1.1 of the "CEMA National Microbiological Sampling Protocol for Shell Egg Production Units".
   - The SEP contended that the Board's testing practice is to test from 50 to 72 weeks of age, and that the document mentioned above has not been adopted by the provinces and is a CEMA guideline only.
   - O&T further contended that under Board Orders #10/76 – Producer Minimum Prices and #29/86 – Order Respecting Quality of Eggs, that the SEP is required to pay O&T the full price for its eggs. The Board contended that those orders referred to the general ongoing price and that 'quality' does not apply to food safety issues, so the Orders do not apply to this situation.

The Committee observed that while it understands the concerns of O&T over the timing of the SE tests performed, it sees no infraction of the Act, Regulations, or Orders. If the SEP's testing procedures are in contravention of the CEMA rules or guidelines, it is not the jurisdiction of the Committee to make ruling on behalf of the national agency. This issue would have to be raised with CEMA.

The Committee understands that SEP does not have a compensation program for SE situations because this is CEMA's jurisdiction. There is no

requirement in the Act, Regulations, or Board Orders for the Board to provide any compensation to producers in the case of SE positive testing. Order #29/86 – Order Respecting Quality of Eggs, refers to the quality and grade of commercial eggs, not the food safety issues of the barn of production. Therefore, this Board Order does not apply.

The Committee concluded that the Board was within its authority to base its calculations on the signed and confirmed Flock Verification Report of December 26, 2001. The Committee also concluded that the CEMA guidelines regarding the time for testing for SE is a guideline only and is not binding on the SEP. Further, the SEP indicated that their practice is to test between 50 to 72 weeks and there is no evidence that the appellant was treated any differently that other producers as regards the time of testing. Therefore, on the basis of the evidence before it, the Committee is not prepared to find that the testing was done at an appropriate time.

The Committee concludes that SEP is not responsible for the CEMA SE compensation, as CEMA is responsible for the administration and compensation program for SE. The Committee has no jurisdiction over the CEMA decisions. The Committee further concludes that Board Orders #10/76 – Producer Minimum Prices and #29/86 – Order Respecting Quality of Eggs do not apply to food safety situations.

The Committee ruled in favour of the Board.

**August 16, 2004**

Pedigree Poultry Ltd. and Mr. Ronald Dubois vs. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board (1)

On October 6, 2003, The Broiler Hatching Egg Marketing Plan Regulations (Plan) was amended in order to establish a new governance structure. The changes included the requirement to define 'production units' as the basis on which eligibility to serve on the Board and voting rights were to be granted.

On January 13, 2004, a letter was faxed to all producers listing some of the elements that the Board was considering as policy pertaining to the production units. The letter encouraged producer feedback in light of the letter to be directed to the Board office. Mr. Santamaria (Power of Attorney for Mr. Dubois) faxed a letter to Mr. Henry providing feedback to the letter. On January 22, 2004, a letter was faxed to all producers noting that feedback to the letter had been received from some producers. This letter served as an attempt to respond to the feedback received.

On February 12, 2004, a letter was faxed to all producers listing designated production units. Pedigree Poultry Ltd (PPL) was listed as a designated production unit, however Mr. Dubois did not appear on the list. Mr. Dubois was not granted designated production unit status because his production facility was located within one-half mile of PPL's production facility.

The appellants submitted that Mr. Dubois has never been directly contacted by the Board to notify him that he no longer possesses production unit status. The appellants further submitted that PPL and Mr. Dubois are located on separate legal land parcels, and have always adhered to the Plan. For these reasons, they have in the past been considered as separate production units and possessed the privileges associated with that status. By classifying PPL and Mr. Dubois as one production unit, PPL and Mr. Dubois' ability to expand production at current facilities is restricted.

The Board submitted that all correspondence to registered Broiler Hatching Egg (BHE)

producers is sent to all registered producers. No correspondence has been sent specifically to Mr. Dubois. The Board is of the understanding that as the Power of Attorney for Mr. Dubois, Mr. Santamaria was to be the contact person for any correspondence sent to registered BHE producers.

The Board further submitted that PPL and Mr. Dubois are a fully integrated operation and participate in the industry through the integrated activities of PPL and Dubois Poultry. PPL and Mr. Dubois maintain production facilities less than one-half mile apart, therefore the Board does not believe that they meet the requirements of Order #33/04. In addition, the Plan or Board Orders do not provide a specific privilege to grow. As a result, the PPL/Mr. Dubois Production Unit is not deprived of that privilege.

The Committee observed that as Power of Attorney for Mr. Dubois, Mr. Santamaria would have been the Board's direct contact for Mr. Dubois. Mr. Santamaria submitted evidence confirming correspondence had taken place between the Board and himself. The Committee further observed that due to increasing bio-security and hatching-egg reliability concerns, it is reasonable to place a limit on hatching egg production within a prescribed geographical zone. However, the designation of two or more facilities as one production unit does not compel or suggest in any manner that the licenses of those facilities are to be amalgamated or that one or more licenses would be cancelled.

The Committee ruled in favour of the Board.

**August 16, 2004**

Pedigree Poultry Ltd. and Mr. Ronald Dubois vs. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board (2)

The matter under dispute relates to the Board's decision to issue the appellants breeder chick quota rather than hatching egg quota. Submitted with the appellant's respective 2004 licence applications were letters requesting the issuance of quota in the number of hatching eggs to be marketed. The Board subsequently issued the appellant's respective 2004 licenses based on the number of breeder chicks that could be place.

The appellants submitted that the Board had issued their production facilities hatching egg quota up to 1998. The appellants further submitted that the Board has the authority to control and regulate only the number of hatching eggs marketed within Saskatchewan.

The Board submitted that The Broiler Hatching Egg Marketing Plan Regulations (Plan) require the Board to develop a quota allocation system with quota maintained and allocated on the basis of hatching eggs marketed by January 1, 2005.

The Committee found that it is not unreasonable to conclude that the Plan intended that hatching eggs be the basis for allocation and it is clear that, originally, hatching eggs marketed were used as the basis for allocation. Prior to amendments to the Plan in 2003, there was no provision in the Plan that would prevent the Board from changing the basis for allocations. In June 2001, Order No. 30/01 – Quota Allocations was approved, granting the Board the authority to use hen placements as the means to control output and collect operating fees.

The Committee concluded that the Board has full authority until January 1, 2005 to allocate quota on the basis of birds placed. The Committee ruled in favour of the Board.

Government of
Saskatchewan

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